

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
AT LAW AND IN ADMIRALTY

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No.

APPROXIMATELY \$320,300.00 IN UNITED
STATES CURRENCY,

APPROXIMATELY 17,219.00 IN UNITED
STATES CURRENCY, and

ONE 2009 NISSAN MURANO, VEHICLE
IDENTIFICATION NUMBER (VIN)
JN8AZ18W69W112938, WITH ALL
APPURTENANCES AND ATTACHMENTS
THEREON,

Defendants.

VERIFIED COMPLAINT FOR CIVIL FORFEITURE IN REM

The United States of America, by its attorneys, Matthew D. Krueger, United States Attorney for the Eastern District of Wisconsin, and Scott J. Campbell, Assistant United States Attorney for this district, alleges the following in accordance with Supplemental Rule G(2) of the Federal Rules of Civil Procedure:

Nature of the Action

1. This is a civil action to forfeit properties to the United States of America, under 21 U.S.C. §§ 881(a)(4) and (6), for violations of 21 U.S.C. § 841(a)(1).

The Defendants In Rem

2. The defendant property, approximately \$320,300.00 in United States currency, was seized on or about June 18, 2018, from Arthur Smith at or near Metro Self Storage, 60 East

Lake Street, Unit B16, Northlake, Illinois. The defendant property is presently in the custody of the United States Marshal Service in Milwaukee, Wisconsin.

3. The defendant property, approximately \$17,219.00 in United States currency, was seized on or about June 18, 2018, from Arthur Smith at or near 4XXX North 103rd Street, Apt. X, Milwaukee, Wisconsin. The defendant property is presently in the custody of the United States Marshal Service in Milwaukee, Wisconsin.

4. The defendant property, one 2009 Nissan Murano bearing vehicle identification number JN8AZ18W69W112938, with all appurtenances and attachments thereon, was seized on or about June 18, 2018, from Arthur Smith at or near 4XXX North 103rd Street, Apt. X, Milwaukee, Wisconsin. The defendant vehicle is registered to Jeannette Gallegos. The defendant vehicle is presently in the custody of the United States Marshal Service in Milwaukee, Wisconsin.

Jurisdiction and Venue

5. This Court has subject matter jurisdiction over an action commenced by the United States under 28 U.S.C. § 1345, and over an action for forfeiture under 28 U.S.C. § 1355(a).

6. This Court has *in rem* jurisdiction over the defendant properties under 28 U.S.C. § 1355(b).

7. Venue is proper in this district under 28 U.S.C. § 1355(b)(1), because the acts or omissions giving rise to the forfeiture occurred in this district.

Basis for Forfeiture

8. The defendant property, approximately \$320,300.00 in United States currency, is subject to forfeiture to the United States of America under 21 U.S.C. § 881(a)(6) because it was used or intended to be used in exchange for controlled substances, represents proceeds of

trafficking in controlled substances, or was used or intended to be used to facilitate a violation of 21 U.S.C. § 841(a)(1).

9. The defendant property, approximately \$17,219.00 in United States currency, is subject to forfeiture to the United States of America under 21 U.S.C. § 881(a)(6) because it was used or intended to be used in exchange for controlled substances, represents proceeds of trafficking in controlled substances, or was used or intended to be used to facilitate a violation of 21 U.S.C. § 841(a)(1).

10. The defendant property, one 2009 Nissan Murano bearing vehicle identification number JN8AZ18W69W112938, is subject to forfeiture to the United States of America under 21 U.S.C. § 881(a)(4) because it was used, or intended to be used, to transport, or to facilitate the transportation, sale, receipt, possession, or concealment of a controlled substance in violation of 21 U.S.C. § 841(a)(1).

Facts

11. Heroin is a Schedule I controlled substance under 21 U.S.C. § 812.

12. Marijuana is a Schedule I controlled substance under 21 U.S.C. § 812.

13. Cocaine is a Schedule II controlled substance under 21 U.S.C. § 812.

14. Fentanyl is a Schedule II controlled substance under 21 U.S.C. § 812.

June 18, 2018 execution of search warrant at Metro Self Storage

15. On June 18, 2018, officers executed a search warrant at Metro Self Storage, storage locker unit B16, located at 60 East Lake Street, Northlake, Illinois (“Metro Storage Unit B16”).

16. On June 18, 2018, Metro Storage Unit B16 was rented by Arthur Smith.

17. Below are some of the items that were inside Metro Storage Unit B16 on June 18, 2018.

- A. Currency counter.
- B. Two cellular telephones.
- C. One 2015 Dodge Challenger SXT bearing Illinois license plates and registered to Arthur Smith and Jeannette Gallegos. Inside the Dodge Challenger were the following:
 - i. In the glove box was approximately 98 grams of heroin.
 - ii. In the sunglass holder were two small baggies containing approximately 0.91 grams of a fentanyl and tramadol combination.
 - iii. In the trunk was a paper bag containing 10 individually wrapped packages that contained a total of approximately 1,195.4 grams of heroin.
 - iv. In a duffle bag in the trunk were a steel press plate and approximately 0.89 grams of marijuana.
 - v. In the spare tire well in the trunk was a leather bag containing the defendant approximately \$320,300 in United States currency and one baggie containing approximately 0.69 grams of cocaine.
 - vi. Also in the spare tire well in the trunk was a plastic bag containing nine individually wrapped packages that contained a total of approximately 999.98 grams of heroin.

June 18, 2018 execution of search warrant at 4XXX North 103rd Street, Apt. X, Milwaukee, Wisconsin

18. On June 18, 2018, officers executed a search warrant at 4XXX North 103rd Street, Apt. X, Milwaukee, Wisconsin, which is the residence of an individual having the initials “E.F.” and, periodically, the residence of Arthur Smith (the “103rd Street residence”).

19. Arthur Smith and E.F. were present during execution of the search warrant.

20. Arthur Smith had the defendant approximately \$17,219 in United States currency rubber banded together in his pants pocket.

21. On the nightstand in the master bedroom were two cellular phones, keys to the defendant 2009 Nissan Murano bearing vehicle identification number JN8AZ18W69W112938, and keys to a storage locker at Metro Self Storage.

22. The defendant Nissan Murano was parked at the 103rd Street residence.
23. Pursuant to the search warrant, officers searched the defendant Nissan Murano.
24. Below are some of the items that were inside the defendant Nissan Murano on June 18, 2018.
 - A. In the driver's door pocket was a cellular phone.
 - B. In the visor above the driver's seat was a dollar bill that was folded up and contained cocaine residue.
 - C. A drawing of a proposed "trap" for within a vehicle, along with a receipt from a welding shop, CB Welder in Chicago, Illinois.
 - D. In the rear cargo area was an unassembled six ton, A-frame "bench shop press," which is something used by narcotics distributors as a "kilo press" used to compress narcotics.

Defendant 2009 Nissan Murano used to facilitate a drug transaction on May 8, 2018

25. On or about May 8, 2018, Arthur Smith drove the defendant Nissan Murano to an area near N. 58th Street and W. Melvina Street in Milwaukee, Wisconsin.
26. In the area of N. 58th Street and W. Melvina Street, Arthur Smith parked the defendant Nissan Murano, exited the vehicle, and met up with an individual having the initials C.G., who had parked C.G.'s vehicle near the defendant Nissan Murano.
27. C.G. gave Arthur Smith approximately \$65,000 for approximately one kilogram of heroin.
28. Arthur Smith placed the approximately \$65,000 in the defendant Nissan Murano and drove away from the meet location.

Arthur Smith's State Drug Charges

29. On June 18, 2018, Arthur Smith was charged in Milwaukee County Circuit Court, Case No. 18CF2765, with manufacture/deliver heroin, conspiracy to commit.
30. A jury trial in Case No. 18CF2765 is scheduled for January 7, 2019.

Administrative Forfeiture Proceedings

31. The Drug Enforcement Administration (“DEA”) began administrative forfeiture proceedings against the approximately \$320,300.00 in United States currency and against the approximately \$17,219.00 in United States currency on the ground that these seized currency items were used or intended to be used in exchange for controlled substances or were proceeds of trafficking in controlled substances.

32. The DEA began administrative forfeiture proceedings against the 2009 Nissan Murano, bearing vehicle identification number JN8AZ18W69W112938, as property that was used, or intended to be used, to transport, or to facilitate the transportation, sale, receipt, possession, or concealment of a controlled substance.

33. On or about September 17, 2018, Jeannette Gallegos filed a claim with the DEA in the administrative forfeiture proceedings to the defendant 2009 Nissan Murano bearing vehicle identification number JN8AZ18W69W112938.

34. On or about September 19, 2018, Arthur Smith filed a claim and a petition for remission with the DEA in the administrative forfeiture proceedings to all three defendant properties: (1) approximately \$320,300.00 in United States currency; (2) approximately \$17,219.00 in United States currency; and (3) the 2009 Nissan Murano bearing vehicle identification number JN8AZ18W69W112938.

Warrant for Arrest In Rem

35. Upon the filing of this complaint, the plaintiff requests that the Court issue an arrest warrant *in rem* pursuant to Supplemental Rule G(3)(b), which the plaintiff will execute upon the defendant properties pursuant to 28 U.S.C. § 1355(d) and Supplemental Rule G(3)(c).

Claims for Relief

36. The plaintiff alleges and incorporates by reference the paragraphs above.

37. By the foregoing and other acts, the defendant property, approximately \$320,300.00 in United States currency, was used or intended to be used in exchange for controlled substances, represents proceeds of trafficking in controlled substances, or was used or intended to be used to facilitate a violation of 21 U.S.C. § 841(a)(1).

38. The defendant approximately \$320,300.00 in United States currency is therefore subject to forfeiture to the United States of America under 21 U.S.C. § 881(a)(6).

39. By the foregoing and other acts, the defendant property, approximately \$17,219.00 in United States currency, was used or intended to be used in exchange for controlled substances, represents proceeds of trafficking in controlled substances, or was used or intended to be used to facilitate a violation of 21 U.S.C. § 841(a)(1).

40. The defendant approximately \$17,219.00 in United States currency is therefore subject to forfeiture to the United States of America under 21 U.S.C. § 881(a)(6).

41. By the foregoing and other acts, the defendant property, one 2009 Nissan Murano bearing vehicle identification number JN8AZ18W69W112938, was used, or intended to be used, to transport, or to facilitate the transportation, sale, receipt, possession, or concealment of a controlled substance in violation of 21 U.S.C. § 841(a)(1).

42. The defendant 2009 Nissan Murano bearing vehicle identification number JN8AZ18W69W112938 is therefore subject to forfeiture to the United States of America under 21 U.S.C. § 881(a)(4).

WHEREFORE, the United States of America prays that a warrant of arrest for the defendant properties be issued; that due notice be given to all interested parties to appear and show cause why the forfeiture should not be decreed; that judgment declare the defendant

properties to be condemned and forfeited to the United States of America for disposition according to law; and that the United States of America be granted such other and further relief as this Court may deem just and equitable, together with the costs and disbursements of this action.

Dated at Milwaukee, Wisconsin, this 11th day of December, 2018.

Respectfully submitted,

MATTHEW D. KRUEGER
United States Attorney

By: s/SCOTT J. CAMPBELL
SCOTT J. CAMPBELL
Assistant United States Attorney
Scott J. Campbell Bar Number: 1017721
Attorney for Plaintiff
Office of the United States Attorney
Eastern District of Wisconsin
517 East Wisconsin Avenue, Room 530
Milwaukee, Wisconsin 53202
Telephone: (414) 297-1700
Fax: (414) 297-1738
E-Mail: scott.campbell@usdoj.gov

Verification

I, Nick T. Stachula, hereby verify and declare under penalty of perjury that I am a Task Force Officer with the High-Intensity Drug Trafficking Area (HIDTA) in Milwaukee, that I have read the foregoing Verified Complaint for Civil Forfeiture *in rem* and know the contents thereof, and that the factual matters contained in paragraphs 11 through 28 of the Verified Complaint are true to my own knowledge.

The sources of my knowledge and information are the official files and records of the United States, information supplied to me by other law enforcement officers, as well as my investigation of this case, together with others, as a Task Force Officer with HIDTA.

I hereby verify and declare under penalty of perjury that the foregoing is true and correct.

Date: 12/10/18

s/NICK T. STACHULA
Nick T. Stachula
Task Force Officer

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

Place an "X" in the appropriate box: ☐ Green Bay Division ☒ Milwaukee Division

I. (a) PLAINTIFFS

UNITED STATES OF AMERICA

(b) County of Residence of First Listed Plaintiff _____

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Scott J. Campbell, AUSA

US Attorney's Office, #530 Federal Building

517 E. Wisconsin Avenue, Milwaukee, WI 53202 (414-297-1700)

DEFENDANTS

APPROXIMATELY \$320,300.00 IN UNITED STATES CURRENCY,
et al.

County of Residence of First Listed Defendant Milwaukee

(IN U.S. PLAINTIFF CASES ONLY)

NOTE:

IN LAND CONDEMNATION CASES, USE THE LOCATION OF
THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question
(U.S. Government Not a Party)
- ☐ 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff
(For Diversity Cases Only) and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Med. Malpractice	<input checked="" type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/ Exchange
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/ Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark
		IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee (Prisoner Petition) <input type="checkbox"/> 465 Other Immigration Actions	SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIW W (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/ Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
			FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
21 USC §§ 881(a)(4) and (6)

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 **DEMAND \$**

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☒ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE _____

DOCKET NUMBER _____

DATE

SIGNATURE OF ATTORNEY OF RECORD

12/11/2018

s/SCOTT J. CAMPBELL

FOR OFFICE USE ONLY

RECEIPT # _____

AMOUNT PAID BY DEBTOR: _____

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
AT LAW AND IN ADMIRALTY

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No.

APPROXIMATELY \$320,300.00 IN
UNITED STATES CURRENCY,

APPROXIMATELY 17,219.00 IN UNITED
STATES CURRENCY, and

ONE 2009 NISSAN MURANO, VEHICLE
IDENTIFICATION NUMBER (VIN)
JN8AZ18W69W112938, WITH ALL
APPURTENANCES AND ATTACHMENTS
THEREON,

Defendants.

WARRANT FOR ARREST IN REM

To: THE UNITED STATES MARSHAL
Eastern District of Wisconsin

WHEREAS, a Verified Complaint for Civil Forfeiture *in rem* was filed on the 11th day of December, 2018, by the United States Attorney for the Eastern District of Wisconsin, which seeks the forfeiture of the above-named defendant properties pursuant to Title 21, United States Code, Sections 881(a)(4) and (6), and which prays that process issue to enforce the forfeiture and to give notice to all interested parties to appear before the court and show cause why the forfeiture should not be decreed; and due proceedings being had, that the defendant properties be condemned and forfeited to the use of the United States of America.

YOU ARE THEREFORE HEREBY COMMANDED to attach and arrest the following defendant properties, which are presently in the custody of the United States Marshal Service in Milwaukee, Wisconsin, in the Eastern District of Wisconsin, and to detain the same until further order of this Court:

- A. Approximately \$320,300.00 in United States currency, which was seized on or about June 18, 2018, from Arthur Smith at or near Metro Self Storage, 60 East Lake Street, Unit B16, Northlake, Illinois;
- B. Approximately \$17,219.00 in United States currency, which was seized on or about June 18, 2018, from Arthur Smith at or near 4XXX North 103rd Street, Apt. X, Milwaukee, Wisconsin; and
- C. One 2009 Nissan Murano bearing vehicle identification number JN8AZ18W69W112938, which was seized on or about June 18, 2018, from Arthur Smith at or near 4XXX North 103rd Street, Apt. X, Milwaukee, Wisconsin.

Dated this ____ day of _____, 2018, at Milwaukee, Wisconsin.

STEPHEN C. DRIES
Clerk of Court

By:

Deputy Clerk

Return

This warrant was received and executed with the arrest of the above-named defendants.

Date warrant received: _____

Date warrant executed: _____

Name and title of arresting officer: _____

Signature of arresting officer: _____

Date: _____